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15 UNITED STATES DISTRICT COURT
 16 NORTHERN DISTRICT OF CALIFORNIA

17)	CASE NO.: 09-CV-5939 PJH
18)	
19)	NOTICE OF MOTION, MOTION,
20)	AND MEMORANDUM OF POINTS
21)	AND AUTHORITIES IN SUPPORT
22)	OF DEFENDANT'S MOTION TO
23)	DISMISS FIRST AMENDED
24)	COMPLAINT
25)	
26)	DATE: March 9, 2011
27)	TIME: 9:00 a.m.
28)	JUDGE: Hon. Phyllis J. Hamilton

29 Petroliam Nasional Berhad,
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 31 Plaintiff,
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 33 vs.
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 35 GoDaddy.com, Inc.,
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 37 Defendant.

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1 **TABLE OF CONTENTS**

2 Page

3 NOTICE OF MOTION AND MOTION 1

4 MEMORANDUM OF POINTS AND AUTHORITIES 3

5 I. INTRODUCTION..... 3

6 A. Factual Allegations..... 4

7 B. Procedural History..... 4

8 II. LEGAL STANDARD 5

9 III. ARGUMENT 5

10 A. Plaintiff’s Cybersquatting Claims (Counts One and Two) Are Barred 6

11 1. The Statute Provides a Safe Harbor for Registrars..... 6

12 2. Forwarding Is Merely “Routing” By Another Name 7

13 a. Plaintiff’s allegations concerning “forwarding” do not

14 distinguish it from “routing.” 7

15 b. Sources defining domain name “forwarding” do not

16 distinguish it from “routing.” 9

17 c. Plaintiff cannot escape a motion to dismiss by restating a

18 barred claim in different, but equivalent, language..... 10

19 B. Plaintiff Has Failed to Plead the Elements of Cybersquatting (Count One) or

20 Contributory Cybersquatting (Count Two)..... 11

21 1. Plaintiff Fails to State a Claim For Cybersquatting 11

22 a. Plaintiff has not alleged that Go Daddy “registered,

23 trafficked in, or used” the domain name 11

24 b. Plaintiff has not alleged that Go Daddy had a “bad faith

25 intent to profit” from the goodwill associated with the

26 trademark..... 12

27 2. Plaintiff Fails to State a Claim For Contributory Cybersquatting..... 15

28 C. Plaintiff’s State Law Claim for Unfair Competition Must Be Dismissed

with the Underlying Lanham Act Claims 18

IV. CONCLUSION 19

TABLE OF AUTHORITIES

Page(s)

CASES

1

2

3

4 *Academy. of Motion Picture Arts and Sciences v. Network Solutions, Inc.*,
989 F. Supp. 1276 (C.D. Cal. 1997)..... 18

5

6 *Bell Atl. Corp. v. Twombly*, 550 U.S. 544 (2007) 5, 12

7

8 *Bird v. Parsons*, 289 F.3d 865 (6th Cir. 2002)..... 11, 12

9 *Black v. Google Inc.*, No. 10-02381 CW, 2010 WL 3222147
(N.D. Cal. Aug. 13, 2010)..... 10, 11

10 *Castaline v. Aaron Mueller Arts*, No. C-09-02543 CRB, 2010 WL 583944
(N.D. Cal. Feb. 16, 2010)..... 5

11 *Denbicare U.S.A., Inc. v. Toys “R” Us, Inc.*, 84 F.3d 1143 (9th Cir. 1996) 18

12 *Distor v. U.S. Bank NA*, No. C-09-02086 SI, 2009 WL 3429700
(N.D. Cal. Oct. 22, 2009) 5

13 *Doe I v. Wal-Mart Stores, Inc.*, 572 F.3d 677 (9th Cir. 2009) 5

14 *Ford Motor Co. v. Greatdomains.com, Inc*, 177 F. Supp. 2d 635 (E.D. Mich. 2001)..... 16

15 *Halo Mgmt., LLC v. Interland, Inc.*, 308 F. Supp. 2d 1019 (N.D. Cal. 2003) 9

16 *Inwood Labs., Inc. v. Ives Labs., Inc.* 456 US 844 (1982) 15

17 *K.S.R. X-Ray Supplies, Inc. v. Southeastern X-Ray, Inc.*, 2010 WL 4317026
(S.D. Fla. Oct. 25, 2010) 10

18 *LCW Auto. Corp. v. Restivo Enterprises*, 2004 WL 2203440
(W.D. Tx. Sept. 24, 2004)..... 9

19 *Lockheed Martin Corp. v. Network Solutions, Inc.*, 141 F. Supp. 2d 648
(N.D. Tex. 2001) *passim*

20 *Lockheed Martin Corp. v. Network Solutions, Inc.*, 194 F.3d 980 (9th Cir. 1999)..... 7, 15

21 *Lockheed Martin Corp. v. Network Solutions, Inc.*, 985 F. Supp. 949
(C.D. Cal. 1997) 15, 16, 17, 18

22 *McSpadden v. Caron*, 2004 WL 2108394 (W.D.N.Y. Sept. 20, 2004)..... 10

23 *Perfect 10, Inc. v. Visa Int’l Serv. Ass’n*, 494 F.3d 788 (9th Cir. 2007) 15

24 *Petroliam Nasional Berhad (PETRONAS) v. Daniela Naidu*, Case No. D2000-1777
(WIPO, March 1, 2001)..... 14

25

26

27

28

1	<i>Petroliam Nasional Berhad (PETRONAS) v. Internet Prolink SA</i> , D2001-0379 (WIPO May 16, 2001).....	14
2		
3	<i>Petroliam Nasional Berhah [sic] v. Pertronasgas.com Inc. [sic]</i> , Case No. D2002- 0709 (WIPO, September 18, 2002).....	14
4	<i>Solid Host, NL v. NameCheap, Inc.</i> , 652 F. Supp. 2d. 1092 (C.D. Cal. 2009)	<i>passim</i>
5	<i>Super-Krete Int’l, Inc. v. Sadleir</i> , 712 F. Supp. 2d. 1023 (C.D. Cal. 2010).....	10
6	<i>Verizon California, Inc. v. OnlineNIC, Inc.</i> , 647 F. Supp. 2d 1110 (N.D. Cal. 2009).....	6

STATUTES

8	15 U.S.C. § 1114(2)(D)(iii).....	6
9	15 U.S.C. § 1117	18
10	15 U.S.C. § 1125(d)	5, 6
11	15 U.S.C. § 1125(d)(1)(A)(i)	11
12	15 U.S.C. § 1125(d)(1)(A)(ii)	11, 13
13	15 U.S.C. § 1125(d)(1)(D)	12
14	Cal. Bus. & Prof. Code § 17200.....	5, 18

MISCELLANEOUS

16	4 <u>McCarthy on Trademarks and Unfair Competition</u> § 25:73.40 (4th ed. 2010).....	6
17	<u>Domain Names for Dummies</u> , by GreatDomains.com with Susan Wels (2001).....	9
18	How to Point Multiple Domain Names to One Website: And How to Avoid Search Engine Problems When Doing So,”	
19	<a href="http://www.thesitewizard.com/domain/point-multiple-domains-one-
website.shtml">http://www.thesitewizard.com/domain/point-multiple-domains-one- website.shtml	8
20	http://www.pcmag.com/encyclopedia_term/0,2542	9
21		
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1 **NOTICE OF MOTION AND MOTION**

2 TO: ALL PARTIES AND THEIR ATTORNEYS OF RECORD

3 PLEASE TAKE NOTICE that, pursuant to Federal Rule of Civil Procedure 12(b)(6), on
4 March 9, 2011, at 9:00 a.m., or as soon thereafter as the matter may be heard, at the United States
5 Courthouse (1301 Clay Street, Courtroom 3, Oakland, CA 94612), before United States District
6 Judge Phyllis J. Hamilton, Defendant GoDaddy.com, Inc. (“Go Daddy”) will and hereby does
7 move to dismiss the First Amended Complaint of Plaintiff Petroliam Nasional Berhad
8 (“Plaintiff”).

9 In support of this motion, Go Daddy submits:

10 1. Plaintiff’s cybersquatting claim (Count One) must be dismissed because: (1) The
11 claim is barred by a safe harbor provision within the Anticybersquatting Protection Act (ACPA)
12 statute itself, (2) vague allegations that Go Daddy forwarded Internet traffic “in conjunction with”
13 its servers do not establish that Go Daddy is providing anything other than the protected routing
14 function of a registrar; (3) Plaintiff cannot use coy wordplay to avoid early dismissal based on
15 statutory immunity, (4) Plaintiff has failed to include factual allegations to support the bald legal
16 conclusions that Go Daddy “use[d]” the domain name at issue, or that Go Daddy was the
17 Plaintiff’s “authorized licensee,” and (5) Plaintiff has failed to allege a “bad faith intent to profit,”
18 and in any event the facts alleged do not support bad faith intent to profit from the goodwill
19 associated with Plaintiff’s trademark.

20 2. Plaintiff’s contributory cybersquatting claim (Count Two) must be dismissed
21 because (1) Plaintiff failed to plead any facts to establish that Go Daddy intentionally induced a
22 third-party to violate the ACPA, or that Go Daddy exercised sufficient control over a third party’s
23 means of violation, and (2) domain name registrars using an automated process to connect domain
24 names to websites of the registrant’s choice do not exercise the requisite control over the means of
25 violation, (3) the fact that the domain name registrant chose to forward the domain name to an
26 existing website, and that the forwarding function was performed “in conjunction with” Go
27 Daddy’s servers, does not change this analysis, (4) Plaintiff did not allege that Go Daddy had
28

1 knowledge of cybersquatting beyond Plaintiff's assertions, which are legally insufficient to
2 establish the requisite knowledge for secondary liability under the ACPA.

3 3. Plaintiff's state claim for unfair competition (Count Three) must be dismissed
4 because this claim cannot survive without the underlying Lanham Act claims.

5 4. This motion is based on the following Memorandum of Points and Authorities; all
6 other pleadings and matters of record; and such additional argument as may be presented at the
7 hearing. A proposed form of order is submitted with this motion.

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Plaintiff Petroliam Nasional Berhad (“Plaintiff”), the state-owned oil and gas company of
4 Malaysia, has now spent over a year pursuing a groundless lawsuit against an improper party. In
5 December 2009, Plaintiff’s request for a temporary restraining order was denied; in September
6 2010 its initial complaint was dismissed; in 2010 the relief sought in the action (transfer of an
7 Internet domain name to Plaintiff) was achieved via a separate Lanham Act lawsuit. Regardless,
8 Plaintiff persists with this wasteful litigation and now has filed another baseless pleading, the First
9 Amended Complaint (“FAC”), naming only the same improper party: domain name registrar
10 GoDaddy.com, Inc. (“Go Daddy”).

11 Plaintiff has not attempted to re-state the direct and contributory trademark infringement
12 and dilution claims from the initial complaint, which the Court dismissed on September 9, 2010.
13 Instead, this time, Plaintiff relies only on ill-founded cybersquatting and contributory
14 cybersquatting claims, with a dependent unfair competition claim. As Plaintiff already has control
15 of the two domain names, the FAC only seeks damages. Plaintiff’s pleading must be dismissed
16 again in its entirety, as the statutory safe harbor for domain name registrars completely bars all
17 claims and remedies against Go Daddy. Also, even if the statute itself did not preclude the claims
18 (which it clearly does) the FAC should be dismissed in its entirety because Plaintiff has failed –
19 again – to plead the most basic elements of cybersquatting and contributory cybersquatting claims.

20 Plaintiff attempts to overcome decade-old case law shielding registrars from liability for
21 cybersquatting by falsely characterizing Go Daddy’s function as something other than a passive
22 registrar, because in this instance Go Daddy’s customer routed, or forwarded, the disputed domain
23 names to a pre-existing website. In fact, this activity is nothing more than the traditional protected
24 routing function of domain name registrars, and does not alter the legal analysis that resulted in the
25 dismissal of Plaintiff’s initial complaint.

26 For these reasons and the reasons stated in detail below, Plaintiff’s FAC should be
27 dismissed.
28

1 **A. Factual Allegations**

2 The facts in this case are simple, and have been reviewed numerous times by this Court.
3 According to the allegations in the FAC, a third-party individual (the “Registrant”) registered two
4 domain names <petronastower.net> and <petronastowers.net> (the “Domain Names”) and linked
5 the Domain Names to a website. *See* FAC ¶¶ 41, 53. Plaintiff claims that the Registrant’s
6 activities violate its rights in the PETRONAS trademark. *See id.* ¶ 78. Plaintiff alleges that Go
7 Daddy was the registrar for the Domain Names. *See id.* ¶¶ 43, 53. Through an automated online
8 dashboard for managing his Go Daddy account, the Registrant directed Go Daddy to route, or
9 forward, the Domain Names to an existing website which was hosted by an entity other than Go
10 Daddy. *See* FAC ¶¶ 44, 49, 54.

11 There are no allegations in the FAC that Go Daddy ever provided any ancillary services to
12 its registrant customer, such as anonymity services, hosting services, or advertising-related
13 services.

14 **B. Procedural History**

15 Plaintiff filed the original Complaint and a Request for a Temporary Restraining Order on
16 December 18, 2009. The parties briefed the motion and the Court held a hearing on December 23,
17 2009. At the hearing, the Court denied Plaintiff’s Request for a TRO.

18 Plaintiff filed separate Lanham Act *in rem* proceedings against the Domain Names, one at
19 a time, on January 29, 2010, and July 12, 2010. In connection with the *in rem* actions, the Court
20 ordered transfer of the Domain Names on May 13, 2010 and August 27, 2010, resolving the *in*
21 *rem* actions in their entirety. The Domain Names were transferred to Plaintiff on May 18, 2010
22 and August 30, 2010.

23 Go Daddy filed a Motion for Judgment on the Pleadings on August 3, 2010. The Court
24 granted the motion on September 9, 2010, dismissing all claims and noting that Plaintiff “failed to
25 allege facts sufficient to state a plausible claim under any of the causes of action asserted.” Order
26
27

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1 Granting Go Daddy’s Motion for Judgment on the Pleadings, at 3. Plaintiff filed the FAC for
2 monetary relief on September 29, 2010.¹

3 **II. LEGAL STANDARD**

4 A complaint should be dismissed when a plaintiff fails to proffer “enough facts to state a
5 claim to relief that is plausible on its face.” *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007).
6 Thus, the allegations in the complaint “must be enough to raise a right to relief above the
7 speculative level.” *Id* at 555. In considering a motion to dismiss, a conclusory assertion that is
8 unsupported by the facts alleged in the complaint must be disregarded. *See Twombly*, 550 U.S. at
9 555; *see also Doe I v. Wal-Mart Stores, Inc.*, 572 F.3d 677, 683 (9th Cir. 2009) (“We need not
10 accept Plaintiffs’ unwarranted conclusion in reviewing a motion to dismiss”) (citing *Twombly*, 550
11 U.S. at 555); *Castaline v. Aaron Mueller Arts*, No. C-09-02543 CRB, 2010 WL 583944, at *3
12 (N.D. Cal. Feb. 16, 2010) (“[D]istrict courts need not accept legal conclusions cast in the form of
13 factual allegations, if those conclusions cannot reasonably be drawn from the facts alleged”)
14 (citation omitted); *Distor v. U.S. Bank NA*, No. C-09-02086 SI, 2009 WL 3429700, at *8 (N.D.
15 Cal. Oct. 22, 2009) (granting defendant’s motion to dismiss where “Plaintiff has alluded to the
16 test, but has not pled facts that would support the claim, only legal conclusions without support.”).

17 **III. ARGUMENT**

18 Plaintiff’s FAC includes three claims for relief, all of which are barred and have otherwise
19 been determined to be inapplicable to domain name registrars: (1) cybersquatting under 15 U.S.C.
20 § 1125(d); (2) contributory cybersquatting; and (3) unfair competition under Cal. Bus. & Prof.
21 Code § 17200 and California common law.

26 ¹ Go Daddy’s deadline to respond to the FAC was postponed pending the termination of a
27 Court-arranged settlement process, which concluded on December 10, 2010.

1 **A. Plaintiff’s Cybersquatting Claims (Counts One and Two) Are Barred**

2 **1. The Statute Provides a Safe Harbor for Registrars**

3 Plaintiff’s first claim arises under the Anticybersquatting Consumer Protection Act
4 (“ACPA”), which itself provides domain name registrars with a clear “safe harbor from liability
5 for registering an infringing domain name.” 4 McCarthy on Trademarks and Unfair Competition
6 § 25:73.40 (4th ed. 2010). With this safe harbor, the ACPA “effectively codifies the pre-2000
7 case law . . . which held that a registrar that reserved or registered an allegedly infringing domain
8 name was not responsible as a direct or contributory trademark infringer.”² *See id.*

9 Cases interpreting the ACPA safe harbor provision have uniformly held that this language
10 shields passive registrars – those who merely register domain names for registrant customers and
11 route Internet traffic to the website of registrant’s choice – from liability: “[The] (‘ACPA’) safe
12 harbor provision . . . exempts a domain name registrar from liability resulting from its registration
13 of domain names for others where the registrar is acting in a purely passive capacity.” *Verizon*
14 *California, Inc. v. OnlineNIC, Inc.*, 647 F. Supp. 2d 1110, 1126 (N.D. Cal. 2009) (citing 15 U.S.C.
15 § 1114(2)(D)(iii)); *see also Solid Host, NL v. NameCheap, Inc.*, 652 F. Supp. 2d. 1092, 1104-05
16 (C.D. Cal. 2009) (“[A] registrar is not liable under § 1125(d) *when it acts [as] a registrar, i.e.,*
17 *when it accepts registrations for domain names from customers*”) (emphasis in original, citing
18 *Lockheed Martin Corp. v. Network Solutions, Inc.*, 141 F. Supp. 2d 648, 654-55 (N.D. Tex. 2001),
19 often referred to as “*Lockheed IP*” (granting summary judgment for the domain name registrar
20 defendant and stating: “It is quite understandable that Congress did not cause defendant as a
21 domain name registrar . . . to be subject to civil liability under § 1125(d).”)).

22 The Ninth Circuit has described the function of a domain name registrar, like Go Daddy
23 here, in more technical detail: “[The registrar’s] role differs little from that of the United States

24 _____
25 ² The safe harbor provision, Section 1114(2)(D)(iii), states: “A domain name registrar, a
26 domain name registry, or other domain name registration authority shall not be liable for damages
27 under this section for the registration or maintenance of a domain name for another absent a
28 showing of bad faith intent to profit from such registration or maintenance of the domain name.”

1 Postal Service: when an Internet user enters a domain-name combination [into his or her Internet
2 browser], [the registrar] translates the domain-name combination to the registrant’s IP Address
3 and routes the information or command to the corresponding computer.” *Lockheed Martin Corp.*
4 *v. Network Solutions, Inc.*, 194 F.3d 980, 984 (9th Cir. 1999). Just as delivery of the mail does not
5 subject the Postal Service to liability for the contents of packages that pass through its service, a
6 domain name registrar’s delivery of an Internet user to a website – as directed by a domain name
7 registrant in an automated process – does not constitute actionable conduct. *See* Order Granting
8 Go Daddy’s Motion for Judgment on the Pleadings, at 3 (noting that in *Lockheed*, “the defendant
9 [domain name registrar] was not liable for contributory infringement based on its ‘routing’ of a
10 domain-name registrant’s allegedly infringing domain name, as the ‘routing’ was simply a
11 ‘service’ connected to the registration service.”) (citing *Lockheed*, 194 F.3d at 984-85).

12 **2. Forwarding Is Merely “Routing” By Another Name**

13 Having failed to gain traction with its initial, long-discredited argument that the routing
14 function subjected Go Daddy to liability for cybersquatting, Plaintiff now attempts to advance the
15 equally untenable argument that a certain *kind* of routing, i.e., routing to an existing website, or
16 forwarding, somehow removes a registrar from the ACPA’s safe harbor and the binding precedent
17 of *Lockheed*. In fact, “forwarding” is a subset of “routing” and therefore for the same reasons
18 Plaintiff’s claims must be dismissed.

19 **a. Plaintiff’s allegations concerning “forwarding” do not**
20 **distinguish it from “routing.”**

21 As alleged in the FAC, the only difference between the “forwarding” routing function and
22 routing by IP address alone (as described in *Lockheed*), is that Internet traffic, on its millisecond-
23 long journey to the destination website, is routed through a server at Go Daddy.³ The FAC does

24
25 ³ In fact, this characterization gives the FAC too much credit for clarity. The exact allegation
26 is that Go Daddy used the Domain Names “in conjunction with its Name Servers to forward,
27 direct, and/or connect Internet users to a pornographic website.” *See* FAC ¶ 63, 80. It is entirely
28 unclear what Plaintiff intends “in conjunction with its Name Servers” to mean, or how
“forwarding, directing, and/or connecting” become something other than synonymous with
“routing” when performed “in conjunction with” name servers. The only other reference to
(continued...)

1 not allege that Go Daddy hosted the content linked to the Domain Names; indeed, the FAC makes
2 clear that the content was hosted elsewhere. *See* FAC ¶¶ 49, 54. The FAC does not allege that Go
3 Daddy decided to associate the Domain Names with the content; again, the FAC specifically states
4 that it was the Registrant who directed Go Daddy to route, automatically, the Domain Names to an
5 existing website. *See* FAC ¶ 44.

6 Regardless, with these allegations, Plaintiff unsuccessfully attempts to distinguish this case
7 from *Lockheed*, and manipulate it into the specific circumstances of *Solid Host, NL v.*
8 *NameCheap*, 652 F. Supp. 2d 1092 (C.D. Cal. 2009), where the Central District allowed a
9 contributory cybersquatting action against the defendant registrar to survive a motion to dismiss.
10 Notably, in *Solid Host*, the complaint only survived the motion to dismiss because the registrar
11 defendant was not acting merely as a registrar; it provided an additional service – an anonymity
12 service that concealed the identity of the true registrant and listed the defendant registrar as the
13 domain name owner in public databases. In this case, Go Daddy did not provide the Registrant
14 with anything other than the domain name routing services of a registrar, and Plaintiff’s
15 allegations do not establish otherwise.

16 “Forwarding,” or “automatically direct[ing] [a] domain name’s visitor to a different
17 website,” *see* FAC ¶ 29, is merely one of the routing options available to any registrant as an
18 alternative to developing a new website for each domain name. Having a separate website at each
19 domain name – even an identical website – is often cumbersome and inefficient for registrants.
20 *See, e.g.*, “How to Point Multiple Domain Names to One Website: And How to Avoid Search
21 Engine Problems When Doing So,” [http://www.thesitewizard.com/domain/point-multiple-](http://www.thesitewizard.com/domain/point-multiple-domains-one-website.shtml)
22 [domains-one-website.shtml](http://www.thesitewizard.com/domain/point-multiple-domains-one-website.shtml). Many registrants thus choose to route more than one domain name to

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24 _____
25 (...continued from previous page)
26 forwarding in the FAC, which may shed light on the meaning of the operative allegation in
27 paragraph 63, is a definition of forwarding: “This service allows Go Daddy customers to
28 ‘automatically direct their domain name’s visitor to a different website.’” FAC ¶ 29. Plaintiff has
not alleged any function of Go Daddy that would divorce it from the well-established case law
exempting registrars from liability.

1 a single website. For example, the domain names <www.nyt.com>, <www.nytimes.com>, and
2 <www.newyorktimes.com> are all routed to the New York Times website, which resides at
3 <www.nytimes.com>. Here, now that Plaintiff owns the Domain Names, it may choose to
4 forward them to its own official website. To do so it would simply log into its account at Go
5 Daddy (or another ICANN-accredited registrar if it chooses to transfer the Domain Names), and
6 enter the URL address of the destination website (in this case, www.petronas.com.my). Such a
7 direction would not appoint Go Daddy to any role other than Plaintiff's registrar.

8 **b. Sources defining domain name "forwarding" do not distinguish**
9 **it from "routing."**

10 Countless online sources equate "forwarding" with "routing," or its commonly used
11 synonyms: "pointing" or "directing." For example, PC Mag defines "domain forwarding" as
12 "redirecting requests on the Internet to a different Internet address. For example, domain
13 forwarding allows multiple domain name to be registered, all of which point to the same Web
14 site." http://www.pcmag.com/encyclopedia_term/0,2542,t=domain+forwarding&i=41681,00.asp.
15 Even Domain Names for Dummies explains that domain name forwarding (listed here as "URL
16 Forwarding") is equivalent to routing or pointing to a domain name:

17 Many registrars provide a service that links your new domain name
18 to your preexisting Web site, so that traffic to your new address
19 will be automatically forwarded to that URL. You can even
20 choose to have numerous domain names linked to the same Web
21 site. So, for example, if your company has changed names, you
22 can make sure that people who know you by your new name and
23 those who know you by your old name will all end up in the same
24 place, no matter which domain name they use.

25 Domain Names for Dummies, by GreatDomains.com with Susan Wels at 56 (2001).

26 Courts also equate forwarding (the process of routing to an existing website) with "re-
27 routing" or "re-directing." *See, e.g., LCW Auto. Corp. v. Restivo Enterprises*, 2004 WL 2203440,
28 at *1, n.2 (W.D. Tx. Sept. 24, 2004) (noting that multiple websites "re-route the user to
29 Defendant's principal website."); *Halo Mgmt., LLC v. Interland, Inc.*, 308 F. Supp. 2d 1019, 1024
30 (N.D. Cal. 2003) ("As a part of its business practices, Interland employs the web address

1 'bluehalo.com,' often redirecting visitors to the 'bluehalo.com' site to Interland's corporate
2 homepage ('interland.com'.'); *Super-Krete Int'l, Inc. v. Sadleir*, 712 F. Supp. 2d. 1023, 1032
3 (C.D. Cal. 2010) ("Defendants registered the domain name <Supercrete.com> in 1999 and have
4 since used the domain to reroute web viewers to Concrete Solutions' primary website."); *K.S.R. X-*
5 *Ray Supplies, Inc. v. Southeastern X-Ray, Inc.*, 2010 WL 4317026, at *2 (S.D. Fla. Oct. 25, 2010)
6 ("Greene conducts SXI's business through the website located at XraySUPERCENTER.COM . . .
7 Greene's additional domains include X-RAYSUPERCENTER.COM, SOUTHEASTERNX-
8 RAY.COM, DISCOUNTX-RAY.COM, and several others, which are redirected, or 'pointed' to
9 the XRaySUPERCENTER main web site."); *McSpadden v. Caron*, 2004 WL 2108394, at *5
10 (W.D.N.Y. Sept. 20, 2004) ("Caron and Wallace began to use the usamedicine.com domain name
11 to 'point' customers to their discountmedsonline.com website. That is, persons attempting to use
12 the usamedicine.com website were automatically re-directed to the discountmedsonline.com
13 website . . . [plaintiff] also alleged that one or all of the defendants altered the
14 americanlifestyle.com website to cause visitors to that site to be re-routed to the nicepriceusa.com
15 website").

16 **c. Plaintiff cannot escape a motion to dismiss by restating a barred**
17 **claim in different, but equivalent, language.**

18 Coy wordplay is not an effective means of separating a defendant from its statutory
19 immunity. In *Black v. Google Inc.*, No. 10-02381 CW, 2010 WL 3222147 (N.D. Cal. Aug. 13,
20 2010), plaintiffs sought to hold the search engine defendant liable for claims based on negative
21 reviews of the plaintiffs' roofing business that third parties posted on the defendant's website.
22 Defendant moved to dismiss pursuant to § 230 of the Communications Decency Act, which
23 provides immunity to internet service providers who face claims accusing them of being the
24 "speaker" or "publisher" of third party content. *Id.* at *2. Plaintiffs argued in response that their
25 claim was based on the defendant's role as the "sponsor" or "endorser" of the content, by virtue of
26 displaying the content on its site. *Id.* at *3. The Court emphatically rejected Plaintiff's attempts to
27 re-label the function of the defendant in an effort to remove it from statutory immunity:

28 "Plaintiffs' attempt to depict Defendant as a sponsor or endorser of the comment is, in effect, an

1 end-around the prohibition on treating it as the publisher or speaker of it. Such a ploy, if
2 countenanced, would eviscerate the immunity granted under § 230.” *Id.* Plaintiff’s ploy here –
3 using a thesaurus to try to circumvent well-established law – should be treated no differently.

4 **B. Plaintiff Has Failed to Plead the Elements of Cybersquatting (Count One) or**
5 **Contributory Cybersquatting (Count Two)**

6 **1. Plaintiff Fails to State a Claim For Cybersquatting**

7 Even if Plaintiff’s ACPA claim were not clearly barred by the ACPA safe harbor for
8 registrars and the *Lockheed* precedent, the cause of action must still be dismissed for failure to
9 state a claim against Go Daddy. The ACPA requires allegations that a defendant “registers,
10 traffics in, or uses” a domain name with “bad faith intent to profit.” 15 U.S.C. § 1125(d)(1)(A)(i)-
11 (ii). *See also, e.g., Bird v. Parsons*, 289 F.3d 865, 880 (6th Cir. 2002) (describing elements of an
12 ACPA claim); *Lockheed II*, 141 F. Supp. 2d at 653-54 (same); *Solid Host*, 652 F. Supp. 2d at
13 1100-01 (same). Plaintiff has not alleged such facts, and well-established case law is clear that
14 Plaintiff cannot legitimately allege such facts against a passive registrar.

15 **a. Plaintiff has not alleged that Go Daddy “registered, trafficked**
16 **in, or used” the domain name**

17 Plaintiff does not (and cannot) allege that Go Daddy “registered” or “trafficked in” the
18 Domain Names. Instead, Plaintiff bases its claim on the allegation that Go Daddy “uses” the
19 Domain Names “in conjunction with its Name Servers to forward, direct, and/or connect Internet
20 users to a pornographic website.” FAC ¶ 63. These essential routing functions of a registrar do
21 not constitute “use” of a domain name under the ACPA.

22 Go Daddy did not create a website linked to the Domain Names, did not place any content
23 at a website linked to the Domain Names, and indeed was not associated at all with the website
24 that was linked to the Domain Names (the FAC acknowledges that the content was “hosted
25 elsewhere”). FAC ¶¶ 49, 54. Go Daddy, as a passive registrar, merely followed the automated
26 instruction of the Registrant to point the Domain Names to a particular website. *See* FAC ¶ 44.
27 This automated activity does not constitute “use” of a domain name under the ACPA. As
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1 discussed above, the allegation that the Registrant chose to route the Domain Names to an existing
2 website “in conjunction with” Go Daddy’s name servers does not change this analysis.

3 In addition, Go Daddy could not be charged with “use” of the Domain Names under the
4 ACPA, as only the registrant or the registrant’s authorized licensee can “use” a domain name
5 under the plain language of the statute: “[a] person shall be liable for using a domain name . . .
6 only if that person is the domain name registrant or the registrant’s authorized licensee.” 15
7 U.S.C. § 1125(d)(1)(D). *See also Lockheed II*, 141 F. Supp. 2d at 655 (“Section 1125(d)(1)(D)
8 expressly limits the ‘uses’ feature to the domain name registrant or the registrant’s authorized
9 licensee”). Plaintiff’s only allegation on this subject states, in conclusory fashion, that the
10 Registrant “licensed, impliedly or otherwise, Go Daddy’s use of the [Domain Names].” FAC
11 ¶ 63. Plaintiff provides no basis for this allegation; there is no contractual arrangement alleged to
12 constitute a license, and no conduct is indicated that would substantiate an implied license to “use”
13 the Domain Names. Indeed, all that is alleged is that Go Daddy provided the routing services
14 inextricably intertwined with its registrar function, as it does with the tens of millions of other
15 domain names under its service. *See id.* Without such allegations, Plaintiff cannot sustain an
16 ACPA claim based on “use” of the Domain Name. *See Bird*, 289 F.3d at 881 (holding that
17 plaintiff failed to state an ACPA claim based on “use” of a domain name because there was no
18 allegation that defendant was the domain name registrant’s authorized licensee).

19 Without any factual allegations to support it, Plaintiff’s legal conclusion that Registrant
20 “licensed” Go Daddy’s “use” of the Domain Names must be disregarded. *See Twombly*, 550 U.S.
21 at 555.⁴

22 **b. Plaintiff has not alleged that Go Daddy had a “bad faith intent**
23 **to profit” from the goodwill associated with the trademark**

24 Plaintiff does not allege – even in a conclusory fashion – that Go Daddy had a bad faith
25 intent to profit from the goodwill of Plaintiff’s trademark. Plaintiff does not even allege “bad

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27 ⁴ *See also* related cases cited *supra* at 5.

1 faith” standing alone. A cybersquatting claim cannot survive without an allegation of bad faith
2 intent to profit. *See* 15 U.S.C. § 1125(d)(1)(A)(ii). The ACPA further requires that Plaintiff plead
3 that Go Daddy had a bad faith intent to profit from Plaintiff’s mark specifically, an allegation that
4 is wholly absent in the FAC. *See, e.g., Lockheed II*, 141 F. Supp. 2d at 654-55 (finding no liability
5 in part because “[defendant Registrar did not have] ‘bad faith intent to profit from’ *specific*
6 marks.”) (emphasis added) (citation omitted).

7 Plaintiff merely alleges that Go Daddy had an “intent to profit,” without bad faith. FAC ¶
8 74. This allegation is insufficient, as an intent to profit alone cannot sustain a cybersquatting
9 claim. Moreover, the FAC does not establish an “intent to profit” *from the goodwill of the*
10 *trademark*. Plaintiff concedes that Go Daddy does not make any money from its alleged conduct
11 other than the standard domain name registration fees that it collects for its registrar services. *See*
12 FAC ¶¶ 69-70. Collection of standard domain name registration fees does not constitute “intent to
13 profit” under the ACPA. *See, e.g., Solid Host*, 652 F. Supp. 2d at 1110 (holding that “the only
14 intent to profit alleged is linked to [defendant’s] operation and promotion of its anonymity
15 service,” and that such allegation is insufficient to establish “intent to profit” under the ACPA).

16 To the extent Plaintiff intends to argue that bad faith intent to profit is implied based on Go
17 Daddy’s handling of Plaintiff’s trademark complaints, such allegations are not clearly stated and in
18 any event would be insufficient to establish “bad faith intent to profit” from the goodwill of the
19 trademark. In fact, even taking all factual allegations regarding Go Daddy’s conduct as true, Go
20 Daddy’s actions as described in the FAC were in accordance with the well-established legal
21 framework for domain name disputes.

22 Much of Plaintiff’s FAC is a detailed – and irrelevant – account of its communications
23 with Go Daddy prior to filing the original Complaint. Specifically, Plaintiff had determined that
24 Go Daddy was the registrar for the Domain Names. FAC ¶¶ 43, 54. Plaintiff contacted Go Daddy
25 regarding each of the Domain Names, and “requested that [Go Daddy] investigate and take action
26 against the website associated with [the Domain Names].” *Id.* ¶ 45. Go Daddy responded within
27 days that it was not the proper recipient of this request, and that it does not “becom[e] involved in
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1 domain name ownership disputes.” *Id.* ¶ 46. Go Daddy further suggested that Plaintiff address its
2 concerns with “the registrant, through an arbitration forum such as the World Intellectual Property
3 Organization, or the local court system.” *Id.* Instead of contacting the Registrant or filing an
4 administrative action against the Registrant under the Uniform Domain Name Dispute Resolution
5 Policy (“UDRP”),⁵ Plaintiff contacted Go Daddy again, and Go Daddy responded again – on the
6 same day – with the same suggestion to Plaintiff. *See id.* ¶¶ 48-49.

7 Far from “bad faith,” Go Daddy’s alleged conduct is well within the appropriate limits of a
8 registrar’s involvement with ownership or trademark disputes. There are multiple legal
9 mechanisms for resolving such disputes – as Go Daddy promptly and repeatedly explained to
10 Plaintiff – but complaining to the domain name registrar is not one of them. Registrars are not
11 charged with the duty to resolve trademark disputes, nor should they be:

12 Sheer volume alone would prohibit [a registrar] performing the
13 [dispute resolution] role plaintiff would assign. Defendant simply
14 could not function as a registrar . . . if it had to become entangled
15 in, and bear the expense of, disputes regarding the right of a
16 registrant to use a particular domain name. The fact that defendant
17 could theoretically [resolve disputes] does not mean that defendant
18 is obligated to do so at the risk of financial ruin. The reason the
19 UDRP [the Uniform Domain Name Dispute Resolution Procedure]
was developed was to provide the mechanism to resolve these
disputes. Not only would imposing plaintiff’s scheme [to obligate
the registrar to resolve disputes] render the UDRP nugatory, it
would cause the domain name registration system in its entirety not
to be feasible.

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21 ⁵ The UDRP is a well-established arbitration process in which trademark owners can assert
22 claims of cybersquatting against domain name registrants. Plaintiff and Plaintiff’s counsel both
23 have experience with this process. *See Petroliam Nasional Berhad [sic] v. Pertronasgas.com Inc.*
24 [sic], Case No. D2002-0709 (WIPO, September 18, 2002) (UDRP proceeding resulting in transfer
25 of petronasgas.com domain name within two months of complaint); *Petroliam Nasional Berhad*
26 (*PETRONAS*) *v. Daniela Naidu*, Case No. D2000-1777 (WIPO, March 1, 2001) (UDRP proceeding
27 resulting in transfer of petronas.net domain name within approx. two months of complaint);
28 *Petroliam Nasional Berhad (PETRONAS) v. Internet Prolink SA*, D2001-0379 (WIPO May 16,
2001) (UDRP proceeding resulting in transfer of petronas.com domain name within five months
of complaint – delayed beyond standard 60-day resolution time only because registrant originally
agreed to transfer voluntarily, and then renege).

1 *Lockheed II*, 141 F. Supp. at 655.

2 Because Plaintiff fails to plead any facts to establish that Go Daddy had bad faith intent to
3 profit, or that Go Daddy registered, trafficked in, or used the Domain Names under the ACPA,
4 Plaintiff has failed to state a claim against Go Daddy for cybersquatting.

5 **2. Plaintiff Fails to State a Claim For Contributory Cybersquatting**

6 Plaintiff's FAC fails to make allegations to support a contributory cybersquatting claim as
7 well. In this context, contributory liability only attaches when a party "(1) 'intentionally induced'
8 the primary infringer to infringe, or (2) continued to supply an infringing product to an infringer
9 with knowledge that the infringer is mislabeling the particular product." *See Solid Host*, 652 F.
10 Supp. At 1112 (citing *Inwood Labs., Inc. v. Ives Labs., Inc.* 456 US 844, 855 (1982), and *Perfect*
11 *10, Inc. v. Visa Int'l Serv. Ass'n*, 494 F.3d 788, 807 (9th Cir. 2007)). When the defendant provides
12 a service rather than a product, "under the second prong of this test, the court must 'consider the
13 extent of control exercised by the defendant over the third party's means of infringement.'"). *Id.*
14 (quoting *Perfect 10*, 494 F.3d at 807, which in turn was quoting *Lockheed*, 194 F.3d at 984). Here,
15 Plaintiff does not make any allegations in the FAC that Go Daddy intentionally induced
16 cybersquatting, that Go Daddy exercised direct control and monitoring over the instrumentality
17 that the Registrant used to engage in cybersquatting, or that Go Daddy had knowledge of the
18 particular instance of cybersquatting.

19 In *Lockheed*, 194 F.3d 980, the Court held that "[the registrar] does not supply a product or
20 engage in the kind of direct control and monitoring required to extend the *Inwood Labs.*
21 [contributory infringement] rule." *See id.* at 986. The District Court explained that the domain
22 name registrar's "involvement with potentially infringing uses of domain names [wa]s remote,"
23 and therefore held it was "inappropriate to extend contributory liability to [the registrar] absent a
24 showing that [it] had unequivocal knowledge that a domain name was being used to infringe a
25 trademark." *See Lockheed Martin Corp. v. Network Solutions, Inc.*, 985 F. Supp. 949, 962 (C.D.
26 Cal. 1997). The Court was unequivocal that assertions from the trademark owner alone were not
27 sufficient to trigger the level of knowledge required to sustain a contributory infringement claim.

1 See *id.* at 963 (“The mere assertion by a trademark owner that a domain name infringes its mark is
2 not sufficient to impute knowledge of infringement to [the registrar].”) Because trademark
3 infringement requires a multi-faceted and dynamic analysis, taking into consideration the strength
4 of the mark, the goods and services used in connection with the mark, and other similar marks that
5 exist, the Court reasoned that “[t]he outcome of the [likelihood of confusion] test [for trademark
6 infringement] cannot be predicted from an examination of the mark and the domain name.” *Id.* at
7 963-64. Further, “[a] reasonable person in [the registrar’s] position could not presume
8 infringement even where the domain name is identical to a mark and registered for use in
9 connection with a similar or identical purpose.” *Id.* at 963.

10 In this case, Plaintiff alleges that Go Daddy “pointed, linked, connected, associated,
11 affiliated, or otherwise related” the Domain Names to a website. FAC ¶ 81. Plaintiff adds that Go
12 Daddy routed the Domain Names using “hardware, software, and other instrumentalities
13 separately or in conjunction with its Name Servers to provide its domain name forwarding
14 service.” FAC ¶ 80. These allegations do not distinguish Go Daddy’s function from the role of
15 the defendant registrar in *Lockheed*, namely, providing a mere automated domain name routing
16 function to the Registrant. The fact that the routing function was performed “in conjunction with”
17 Go Daddy’s name servers did not convey to Go Daddy any additional control over the ownership
18 of the Domain Names or the content at the website; Plaintiff’s FAC does not allege that use of Go
19 Daddy’s name servers in any way changes the process or ability of Go Daddy to disable or transfer
20 a domain name, were it an appropriate measure to take.

21 Like the registrar in *Lockheed*, then, Go Daddy was equally “remote” from the purported
22 infringing use of the mark, and the same level of unequivocal knowledge would be required to
23 establish contributory infringement. Indeed, the factual analysis for cybersquatting is even more
24 complex, because a registrar would need to determine bad faith intent to profit as well as
25 likelihood of confusion in order to resolve a dispute. See *Ford Motor Co. v. Greatdomains.com,*
26 *Inc.*, 177 F. Supp. 2d 635, 647 (E.D. Mich. 2001). “[B]ecause the ACPA requires a showing of
27 ‘bad faith intent’ – a subjective element not required under traditional infringement, unfair
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1 competition, or dilution claims – the standard would be somewhat heightened” compared to the
2 already high standard for knowledge in a trademark claim. *Id.* (holding that a domain name
3 auction house was not liable for direct or contributory cybersquatting, in part because “an entity
4 such as [defendant auction house] generally could not be expected to ascertain the good or bad
5 faith intent of its vendors.”).

6 The only “knowledge” alleged in the Complaint was a mere assertion from the trademark
7 owner that infringement was occurring at the website associated with the Domain Names. *See*
8 FAC ¶ 46. *Lockheed* is clear that such assertions do not amount to knowledge of infringement.
9 985 F. Supp. at 963-64. Plaintiff’s allegations therefore cannot support contributory infringement
10 claims against Go Daddy.

11 Imposing on domain name registrars the affirmative duty to resolve trademark and
12 cybersquatting disputes would place an unmanageable burden on the industry and violate the well-
13 settled case law. *See, e.g., Lockheed*, 985 F. Supp. 949, 962 (1997). Established case law has
14 determined that domain name registrars are not in the position of flea market operators for the
15 purpose of analyzing contributory liability. “The flea market operators directly controlled and
16 monitored their premises. NSI [the domain name registrar] neither controls nor monitors the
17 Internet. A domain name, once registered, can be used in connection with thousands of pages of
18 constantly changing information. While the landlord of a flea market might reasonably be
19 expected to monitor the merchandise sold on his premises, NSI cannot reasonably be expected to
20 monitor the Internet.” *Id.* Routing traffic through a domain name server does not upset the well-
21 established law and make a registrar akin to a flea market operator. Routing traffic does not
22 provide “actual storage and communications for infringing material, [which] might be more
23 accurately compared to the [role of] flea market vendors in *Fonovisa* and *Hard Rock*.” *Id.*
24 Plaintiff has again failed to allege facts that could support a contributory cybersquatting claim
25 against Go Daddy, and the claim should again be dismissed.

1 **C. Plaintiff’s State Law Claim for Unfair Competition Must Be Dismissed with**
2 **the Underlying Lanham Act Claims**

3 Plaintiff’s remaining claim is a California state-law claim that relies on the same facts and
4 principles as the cybersquatting claims discussed above, and for the same reasons such claims
5 must fail. *See Denbicare U.S.A., Inc. v. Toys “R” Us, Inc.*, 84 F.3d 1143, 1152 (9th Cir. 1996)
6 (“[S]tate common law claims of unfair competition and actions pursuant to California Business
7 and Professions Code § 17200 are ‘substantially congruent’ to claims made under the Lanham
8 Act’ . . . Thus, since dismissal of [plaintiff’s] Lanham Act claim was proper, dismissal of its §
9 17200 claim was proper as well”) (citation omitted). As the Court discussed in detail in *Lockheed*,
10 a domain name registrar does not engage in conduct which would support an unfair competition
11 claim. *See Lockheed*, 985 F. Supp. at 959 (granting summary judgment to defendant registrar on
12 plaintiff trademark owner’s unfair competition claim); *see also Academy. of Motion Picture Arts*
13 *and Sciences v. Network Solutions, Inc.*, 989 F. Supp. 1276, 1281 (C.D. Cal. 1997) (denying a
14 preliminary injunction based, in part, upon state and federal unfair competition claims because
15 “[t]here is no allegation that [defendant registrar] has any knowledge of how a registrant will use a
16 domain name. If a company uses a domain name to falsely represent that it is [plaintiff] . . .
17 [plaintiff] may have a cause of action for unfair competition against that company. There appears,
18 however, to be no ground for bringing such a cause of action against [defendant registrar]”).

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1 **IV. CONCLUSION**

2 For the reasons stated above, Go Daddy's Motion to Dismiss First Amended Complaint
3 should be granted and Plaintiff's FAC should be dismissed, without leave to amend.⁶

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5 Dated: January 31, 2011

WILSON SONSINI GOODRICH & ROSATI
Professional Corporation

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By: /s/ John L. Slafsky
John L. Slafsky
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Attorneys for Defendant
Go Daddy.com, Inc.

26 ⁶ Go Daddy intends to move the Court separately for an award of attorneys' fees pursuant to,
27 *inter alia*, 15 U.S.C. § 1117.

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